



FOR IMMEDIATE RELEASE

Contact: Evan Gerberding
Phone: 916.326.8602
Fax: 916.322.2345
egerberding@calhfa.ca.gov
www.KeepYourHomeCalifornia.org

**CalHFA Announces Full Implementation of \$2 Billion Effort
to Assist Homeowners Struggling to Remain in Homes**

SACRAMENTO – The California Housing Finance Agency today announced the full implementation of four programs to fight the ongoing foreclosure crisis in California, with the primary goal to help families remain in their homes.

The programs, under the umbrella title of Keep Your Home California, are federally funded as part of the U.S. Treasury Department's Hardest Hit fund, and are aimed at helping low and moderate income homeowners struggling to pay their mortgages amid the worst real estate crisis in decades.

"Our goal is to get the very most out of these federal dollars to assist California families," said Steven Spears, Executive Director of CalHFA. "With families struggling through a number of financial hardships and the disruption in the real estate market, these programs will help those in need while stabilizing neighborhoods and communities severely impacted by foreclosures."

California received a total of nearly \$2 billion through the Hardest Hit fund. After consulting with community leaders throughout the state, four programs were created to assist California families.

Mr. Spears said that all four programs are intended to help avoid foreclosure: three offer several forms of mortgage assistance, as well as a separate program that will provide transition assistance to borrowers who execute a short sale or deed in lieu transaction.

All of the programs are designed specifically for low or moderate income homeowners who are either unemployed or are facing another financial hardship, have fallen behind on their mortgages and owe significantly more than the value of their homes.

"In partnership with the federal government, Keep Your Home California is one more step we are taking to help low and moderate income California families who are struggling to remain in their homes," said Assemblymember Norma Torres, Chair of Assembly Committee on Housing and Community Development. "No one program will solve the foreclosure crisis affecting our state, but together we hope to make a difference for as many families as possible."

"The foreclosure crisis continues to hinder our potential for economic recovery, and strips stability from our communities," said Assemblymember Mike Eng, Chair of the Assembly Committee on Banking and Finance. "I'm pleased that the Keep Home California program is ramping up to address these challenges and, as the program moves forward, I will continue to monitor its progress to ensure that it's an all around success at assisting California borrowers."

Specifically, the Keep Your Home California programs provide:

- Mortgage assistance of up to \$3,000 per month for unemployed homeowners who are in imminent danger of defaulting on their home loans.
- Funds to help homeowners who have fallen behind on their mortgage payments due to a temporary change in a household circumstance. The program will provide up to \$15,000 per household to reinstate mortgages to prevent foreclosures.
- Money to reduce the principal owed on a mortgage for a home where the low or moderate income homeowner is facing a serious financial hardship and owes significantly more than the home is worth. The program requires lenders to match any assistance provided by the Keep Your Home California program.

A full description of the programs can be found at www.KeepYourHomeCalifornia.org

How to Apply:

The programs will be limited to homeowners who meet a number of criteria, including owning and occupying the home as their primary residence, meeting income limits and facing a financial hardship. Homeowners who consummated a “cash-out” refinance are not eligible for Keep Your Home California programs.

To apply for the assistance, a homeowner should contact the Keep Your Home California call center toll-free at 888.954.KEEP(5337) or their mortgage servicer – the company to which the borrower sends monthly mortgage payments. Each of the mortgage assistance programs requires the participation of the mortgage servicer.

As of February 9, the following servicers are participating in all four Keep Your Home California programs:

- GMAC
- Guild Mortgage
- California Housing Finance Agency
- California Department of Veterans Affairs

Other servicers, including Bank of America, JPMorgan Chase, CitiMortgage and Wells Fargo are currently participating in some, but not all programs at this time. The list of participating servicers is expected to expand in the coming weeks.

Full details regarding servicer participation can be found at www.KeepYourHomeCalifornia.org.

“The problems of unemployment and the unprecedented disruption in our real estate markets have impacted so many families,” Mr. Spears said. “These programs are designed to move homeowners who have been told ‘no’ into the ‘yes’ category and qualify them for a mortgage they can afford over the long term.”

Borrowers with questions about the program may call Keep Your Home California toll-free at 888-954-KEEP(5337).